

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: DECEMBER 3, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
MERLINO
BENTLEY
CHAMPAGNE
GOODSPEED
MCCOY
CONOVER

OTHERS PRESENT:

FRANK O'KEEFE, TREASURER
REPRESENTING THE TOURISM DEPARTMENT:
KATE JOHNSON, DIRECTOR
LEISA GRANT, PRINCIPAL ACCOUNT CLERK
TANYA BRAND, GROUP TOUR PROMOTER
MICHAEL CONSUELO, SPECIAL EVENTS COORDINATOR
PAUL DUSEK, COUNTY ATTORNEY/ADMINISTRATOR
JOAN SADY, CLERK OF THE BOARD
SUPERVISORS BELDEN
STEC
STRAINER
TAYLOR
THOMAS
WOOD
ROBERT BLAIS, MAYOR, VILLAGE OF LAKE GEORGE
DON LEHMAN, *THE POST STAR*
THOM RANDALL, *ADIRONDACK JOURNAL*
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST
PLEASE SEE SIGN-IN SHEET FOR ADDITIONAL MEETING ATTENDEES

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 9:30 a.m.

Motion was made by Mr. Conover, seconded by Mr. Merlino and carried unanimously to approve the minutes from the prior meeting, subject to correction by the Clerk of the Board.

Copies of the meeting agenda were distributed to the Committee members, a copy of which is also on file with the minutes.

Mr. Kenny began by announcing that the current meeting would not include any review of the numerous applications received for 2011 occupancy tax funding and he noted that meeting would be held on December 10th at 9:00 a.m.

Commencing with the review with Agenda Item III, Frank O'Keefe, County Treasurer, provided a report on the amount of occupancy tax revenues received which indicated a 8.14%, or \$226,742.75, increase in the amount collected through December 2, 2010 as compared to the same period in 2009. *A copy of Mr. O'Keefe's report is included in the agenda packet.*

Skipping ahead to Agenda Item IV-B, Mr. Kenny reminded the Committee that an RFP (request for proposal) had previously been released for 2011 Sales/Special Event/Convention Agency/Association Services, to which only one response had been received from the Lake George Regional Chamber of Commerce (LGRCC). He then questioned whether the Committee desired to discuss the proposal or simply grant their approval.

Mr. Merlino questioned whether the proposal amount represented an increase over the current contract and Mr.

Kenny replied affirmatively, noting that the proposal was for \$55,000 while the 2010 contract had been for \$50,000.

Motion was made by Mr. McCoy, seconded by Mr. Conover and carried unanimously to authorize a contract in the amount of \$55,000 with the Lake George Regional Chamber of Commerce for 2011 Sales/Special Events/Convention Agency/Association services for the term commencing January 1, 2011 and terminating December 31, 2011, and the necessary resolution was authorized for the December 17th Board meeting. *A copy of the request is on file with the minutes.*

Returning to Agenda Item IV-A, Mr. Kenny noted that at a prior Committee meeting they had approved a request submitted by the Village of Lake George for \$25,000 in occupancy tax funding to support costs associated with the Lake George Village Information Center, which resulted in a resolution subsequently approved by the Board of Supervisors. He said that the issue had been returned to the Committee for further discussion upon the request of Mr. Merlino, who was opposed to the award.

Mr. Merlino stated that it was his opinion that because the Towns of Warren County, as well as the Village of Lake George and City of Glens Falls, already received a share of the occupancy tax revenues generated, the individual municipalities should not be permitted to apply for more. He said that if one Town was going to be given additional funding, the remaining municipalities should receive the same amount; the problem with this practice, he added, was that the available funding would continue to be drawn down, allowing less funding for events and operations supported by the occupancy tax fund. As a possible solution to this problem, Mr. Merlino suggested that they consider distributing all occupancy tax funding to the Towns, City and Village, based on a pre-determined percentage, with each municipality distributing the funding to events as they saw fit, thereby eliminating the need for an Occupancy Tax Coordination Committee. He said that although he meant no disrespect to the Village by disputing the previously approved award, he felt that all of the smaller communities could use the additional funding. Mr. Merlino pointed out that it was becoming a prevalent practice for event coordinators to request more occupancy tax funding than was actually necessary in order to receive the amount truly desired, which was also becoming an issue that should be addressed in some manner. He concluded that regardless of what was reported in *The Post Star* newspaper, his objection was in no way related to the Gaslight Village property.

Robert Blais, Mayor of the Village of Lake George, advised that although he did not disagree with Mr. Merlino's opinions, he felt the Committee should have a clear understanding of the initial funding situation surrounding the Visitor's Center before they reconsidered their decision. He explained that when the Village conceived the idea of a Visitor's Center, which was the only State certified Visitor's Center in Warren County, they had presented their proposal to the Board of Supervisors, noting that one of the three rooms in the Center would be devoted to Warren County so that each and every town could display their brochures there and provide a history for visitors to review. Mayor Blais said at that time, the Board had been agreeable to the idea and wanted to know how much the Village of Lake George would request in contributions to bring the Center to fruition, at which point they had settled upon the \$25,000 contribution amount, as it had cost \$165,000 to create and build the Warren County room display. He noted that the Visitor's Center was staffed by the LGRCC and had entertained over 350,000 visitors during the preceding year. Mayor Blais apprised the initial County contribution was not made from occupancy tax funding; he added that funding for the Visitor's Center had been reduced to \$12,500 for 2010 because the Village had not submitted an application for occupancy tax funding prior to the specified deadline and this was because they had not been aware occupancy tax funding was being used. He said the Village had applied for \$25,000 in occupancy tax funding for 2011 because they had been told that was where the money was coming from; however, he added, he was not sure it was the appropriate source of funding and that contributions from the Tourism Budget might be better suited.

Mr. Kenny clarified that the budget for the Tourism Department was completely funded by occupancy tax revenues. He explained that the occupancy tax fund was split into three sections, 1% to be distributed amongst the Towns of Warren County, with 10% of collections for the last complete year being used for special event funding and the remainder was used for the Tourism budget. Mr. Kenny advised that funding for the Visitor's Center had been withdrawn from the Tourism budget, as had the funds contributed to the Glens Falls Civic Center for new seats and video screens.

Mr. Merlino noted that when the Visitor's Center was initially constructed, each town had made an individual contribution which was separate from the \$25,000 provided by the County. Mayor Blais noted that the amounts provided by the towns had funded the costs of the firm hired to meet with representatives of each area and develop the design and information that would be used in that town's display. He said that the construction of the Visitor's Center, including the kiosks and wall space, had been funded by the Village through a bond they had obtained which continued to present an expense to the Village, and for which they would depend upon the County's \$25,000 annual contribution until the bond was repaid. Mayor Blais advised there were other tenants advertising their operations within the Visitor's Center, all of which paid a nominal fee for the space used; however, he noted, no other organization had an entire room devoted to them as Warren County did.

Mr. Kenny said that he had heard some rumors that the County had promised to make only an initial contribution of \$25,000 to the Visitor's Center, but in researching the matter through the Clerk of the Board's Office, he had found the initial contribution authorized by Resolution No. 127 of 2005 promised a \$30,000 per year contribution for a two-year term. He added that subsequent Resolution Nos. 375 of 2007 and 341 of 2008 each promised a contribution of \$25,000 per year for the two-year terms specified by each. Additionally, Mr. Kenny noted that he had received a letter from the LGRCC supporting the Visitor's Center and the funding request, which he proceeded to read aloud; *a copy of the letter is on file with the minutes.*

Mr. Champagne said he agreed with the LGRCC in their support of the Visitor's Center and believed the contribution should be made as requested. He then asked Kevin Geraghty, Budget Officer, if an alternate means of funding was available for the expense, to which Mr. Geraghty responded that the \$25,000 contribution was already included in the 2011 Budget under the Tourism Department.

Mr. McCoy spoke in favor of the Visitor's Center, stating that it was a fundamental part of the tourism industry in Warren County as it was unlikely that visitors would come to the Municipal Center to visit the Tourism Department for area information. He added that he was sympathetic to Mr. Merlino's statements and would not be opposed to removing additional funds from the Tourism budget to fund individual community visitor's centers if any decided to introduce one. Mr. McCoy said he felt funding the \$25,000 contribution to the Lake George Visitor's Center from the Tourism budget was appropriate and that it should not be removed from other divisions of the occupancy tax fund.

Motion was made by Mr. Champagne, seconded by Mr. Goodspeed and carried by majority vote in support of maintaining the funding promised to the Village of Lake George for the Visitor's Center as indicated by previous resolution, with Mr. Merlino voting in opposition.

Continuing to Agenda Item IV-C, Mr. Kenny apprised of a referral from the Public Works Committee proposing that occupancy tax funding be used to support 50% of anticipated overtime costs of \$21,000 for the 2011 Balloon Festival event, with the remaining 50% to be funded by the Adirondack Balloon Festival Committee. He noted that \$20,000 in occupancy tax funding had been awarded to the Adirondack Balloon Festival Committee for the 2010 event and that an application for 2011 funding in the amount of \$50,000 had been received. Mr. Kenny stated that

the DPW proposal would require removing the \$10,500 contribution from the Tourism Budget.

Following a brief discussion on the matter, it was the consensus of the Committee that a decision on this issue would be delayed until determinations were made on the distribution of occupancy tax funding following the review of applications at the December 10th meeting.

Mr. Kenny announced that Agenda Item IV-D pertained to a proposal from Mayor Blais to use occupancy tax funds for public safety during events and he asked the Mayor to speak on the matter.

Mayor Blais advised that his proposal was not so much a request for funding, but a means to start a dialogue with the Committee respective to the need for funding of public safety services during area events. He said that many special events, such as the boat races on Lake George, required EMS (Emergency Medical Services) staff to be on site for the duration of their event; however, he added, it was becoming increasingly difficult to meet these needs due to the associated staffing costs for paid EMS squad personnel and the inability for volunteer squads to attend as they were busy with the emergency needs of their respective communities. Mayor Blais apprised that a recent meeting had been held at the Village Town Hall between representatives of various EMS groups to discuss the issue, during which the suggestion had been made to seek out occupancy tax funding to help defray EMS costs associated with public safety needs for special events. He said further discussion had yielded suggestions that the chosen EMS group could provide budgetary figures based on the needs of the event, which could then be passed on to the event promoters who would fund the costs, possibly from occupancy tax funding awarded for their event by the County. Additionally, he noted that a rating system could be devised to determine the appropriate amount of funding provided for each event based on the associated public safety needs of each. Mayor Blais then reiterated that he was not currently seeking funding, but was simply trying to introduce the topic for the Committee's consideration in assisting with public safety costs for future events.

Mr. Kenny said that this topic would require considerable discussion to make an appropriate decision and he noted that his original vision for the occupancy tax fund when it was introduced 12 years ago included 1% of the fund to be contributed to the Department of Public Works to assist in funding highway deterioration and 2% to be contributed for public safety costs. He pointed out that although Warren and Washington Counties were similar in size, he estimated that Warren County had more law enforcement personnel than Washington County due to the number of tourism events held in Warren County, which required additional public safety personnel. Mr. Kenny said that because Warren County was a tourism based community, these issues needed to be addressed to maintain that designation. However, he stated, he would only be willing to approve the use of occupancy tax funds for public safety if the existing operating budgets were reduced by the same amount; he added that he was not willing to provide funding in addition to existing operating budgets.

Mr. Goodspeed questioned whether use of occupancy tax funding for public safety costs was legally viable and Paul Dusek, County Attorney/Administrator, responded that this issue left considerable room for debate. Mr. Dusek advised the legislation authorizing the occupancy tax fund clearly stated that it had to be used for promotion of tourism and convention development purposes. He said that this issue was technically a "gray" area because arguments could be made that the expense was justified because public safety services were necessary to hold the event, and conversely that the expense did not qualify because public safety was already a necessary, budgeted expense funded by the County that did not directly promote tourism or convention development. Mr. Dusek concluded that this was a factual issue, rather than a legal issue, and that discussion would be required to reasonably determine how the expense applied.

Discussion ensued.

Mr. Goodspeed said that after speaking to EMS groups in neighboring communities, he had reached the conclusion that this issue was closely related to State mandates regarding increased outfitting and training requirements. He apprised that many of the rural EMS and fire volunteer organizations were finding it difficult to fund these increasing costs that strained their budgets; he added that he wondered if the event related budgetary issues were not only related to the event itself, but also to increasing State requirements. Mr. Goodspeed concluded that while he did not disagree with using occupancy tax funding to assist in funding public safety costs for special events, he was worried that using that proceeding in such a manner to solve issues ultimately caused by the State might turn into another unfunded mandate borne by the County.

Based on the comments made, Mr. Kenny deduced that the issue would be subject to further discussion before any decisions were made.

Concluding the agenda review, privilege of the floor was extended to Michael Consuelo, Sales/Special Events Coordinator, to provide the Committee with an update of activities for the past month.

Mr. Consuelo advised that copies of his report had been forwarded to each of the Committee members prior to the meeting for their review; *a copy of the report is on file with the minutes*. He then proceeded to thank the Committee for choosing to renew the contract with the LGRCC, which would allow them to continue all of the efforts put forth thus far to attract new events to the area. Mr. Consuelo noted the Centurion Cycling event was one of the large new events being introduced to the area which he believed would have a major impact on the community for the next five years. He added that he would provide further details at the next Committee meeting as they had submitted an application for occupancy tax funding in connection with the event.

Mr. Consuelo stated it was gratifying to know that the efforts he had made were starting to show some results, especially in the smaller meeting markets, as reflected by the calls he was starting to receive from the markets he had traveled to on a National level to help bring notoriety to the Lake George and Warren County area to event planners looking for new and exciting sites for their events. He said that one group he was pleased to re-report on was the Church of God group who were considering returning to the area in the future, possibly in 2013. Mr. Consuelo said that when notified of the prospective expansion of the Lake George Forum in terms of renovations and creating new space, the Church of God group convention planner had responded that they would be reconsidering Warren County as a possible destination for future events.

Although he had been heavily concentrating efforts on attracting members of faith based organizations to the area, Mr. Consuelo advised he was also working closely with organizers of athletic events, such as the Centurion Cycling event, as well. He said he was pleased to note that he and Tanya Brand, Group Tour Promoter, had met with a gentleman putting on an event at the West Mountain Ski Center in June called the "Warrior Run" which consisted of a 5K run up and down West Mountain that they hoped would attract at least 2,000 visitors. He expounded that the event was being mirrored after another held at the Wyndham Ski Resort in Catskill, NY which had attracted approximately 14,000 participating runners. Mr. Consuelo stated these events had the potential to grow in the Warren County area and bring with them additional tourism opportunities, which was the purpose of his activities.

Referring to his November Activity Report, Mr. Consuelo noted a correction in the Report, advising that the 36 calls listed as being made for the month of November should have actually been 136. He said his position required a considerable amount of telephone work, visitations and trade show attendance to find new markets in which to

advertise the Warren County Area. Mr. Consuelo concluded his report by thanking the Committee once again for their continued support and stating that he was pleased to continue these promotional activities.

As there was no further business to come before the Committee, on motion made by Mr. Conover and seconded by Mr. Merlino, Mr. Kenny adjourned the meeting at 10:25 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist